

1999 Charitable Remainder and Pooled Income Trusts**541-B**

Full name of trust			Check box if this is a "Final Return" <input type="checkbox"/> FEIN	
Name of trustee(s)			PMB no.	Date trust created
Address(es) of trustee(s) (number and street, including suite number or rural route)			Check whether: <input type="checkbox"/> Charitable lead trust <input type="checkbox"/> Charitable remainder annuity trust <input type="checkbox"/> Charitable remainder unitrust <input type="checkbox"/> Pooled income fund <input type="checkbox"/> Other	
City, town, or post office	State	ZIP Code		

Part I Ordinary Income (IRC Section 664 trust only)

1 Interest income	1		
2 Dividends	2		
3 Business income (or loss). Attach federal Schedule C or C-EZ (Form 1040)	3		
4 Rents, royalties, partnership, other estates, and trusts. Attach federal Schedule E (Form 1040)	4		
5 Farm income (or loss). Attach federal Schedule F (Form 1040)	5		
6 Ordinary gain (or loss). Attach Schedule D-1	6		
7 Other income. State nature of income	7		
8 Total ordinary income. Add line 1 through line 7	8		

Deductions Allocable to Ordinary Income

9 Interest	9		
10 Taxes	10		
11 Other deductions. Attach schedule	11		
12 Total deductions. Add line 9 through line 11	12		
13 Ordinary income less deductions. Subtract line 12 from line 8. Enter here and on line 20, column (a)	13		

Capital Gains (Losses) and Allocable Deductions

14 Net capital gain (loss) from Schedule D (541), line 8	14		
15 Add unused capital loss carryover from Schedule D (541)	15		
16 Balance. Add line 14 and line 15	16		
17 Less allocable deductions	17		
18 Balance. Subtract line 17 from line 16. Enter here and on line 20, column (b)	18		

Part II Accumulation Schedule (IRC Section 664 trust only)

Accumulations	(a) Ordinary income	(b) Capital gains (losses)	(c) Nontaxable income
19 Undistributed from prior years			
20 Current year (before distributions)			
21 Total. Add line 19 and line 20			
22 Undistributed at end of taxable year			

Part III Current Distributions Schedule (IRC Section 664 trust only)

Name of recipient	Federal identifying number	(a) Ordinary income	(b) Capital gains (losses)	(c) Nontaxable income and corpus
23				
24				

Part IV Unrelated Business Taxable Income

25 Did the trust have any unrelated business taxable income? ☐ Yes ☐ No
 If "Yes," file a separate Form 541 to report the tax due or overpaid tax ▶ \$

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of trustee or officer representing trustee	Date	Trustee's SSN/FEIN	
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN/PTIN
	Firm's name (or yours, if self-employed) and address			FEIN
				ZIP Code

Mail return to: **FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0000**

Part V Balance Sheet

Assets		(a) Beginning-of-Year Book Value	(b) End-of-Year Book Value	(c) FMV (see instructions)
26	Cash – non-interest bearing	26		
27	Savings and temporary cash investments	27		
28	a Accounts receivable 28a			
	b Less: allowance for doubtful accounts 28b			
29	Receivables due from officers, directors, trustees, and other disqualified persons. Attach schedule	29		
30	a Other notes and loans receivable 30a			
	b Less: allowance for doubtful accounts 30b			
31	Inventories for sale or use	31		
32	Prepaid expenses and deferred charges	32		
33	a Investments – U.S. and state government obligations. Attach schedule	33a		
	b Investments – corporate stock. Attach schedule	33b		
	c Investments – corporate bonds. Attach schedule	33c		
34	a Investments – land, buildings, and equipment basis. Attach schedule 34a			
	b Less: accumulated depreciation 34b			
35	Investments – other. Attach schedule	35		
36	a Land, buildings, and equipment (trade or business): basis 36a			
	b Less: accumulated depreciation 36b			
37	Other assets. Describe ▶	37		
38	Total assets. Add line 26 through line 37. (Must equal line 48)	38		
Liabilities				
39	Accounts payable and accrued expenses	39		
40	Deferred revenue	40		
41	Loans from officers, directors, trustees, and other disqualified persons	41		
42	Mortgages and other notes payable. Attach schedule	42		
43	Other liabilities. Describe ▶	43		
44	Total liabilities. Add line 39 through line 43	44		
Net Assets				
45	Trust principal or corpus	45		
46	a Undistributed income 46a			
	b Undistributed capital gains 46b			
	c Undistributed nontaxable income 46c			
47	Total net assets. Add line 45 through line 46c	47		
48	Total liabilities and net assets. Add line 44 and line 47	48		
To be completed ONLY by an IRC Section 664 charitable remainder annuity trust:				
49	a Enter the initial fair market value of the property placed in the trust	49a		
	b Enter the total annual annuity amounts for all recipients and attach schedules showing the amount for each recipient if more than one	49b		
To be completed ONLY by an IRC Section 664 charitable remainder unitrust:				
50	a Enter the unitrust fixed percentage to be paid to the recipients	50a		
	b Unitrust amount. Subtract line 44, column (c) from line 38, column (c) and multiply the result by the percentage on line 50a Note: Complete line 51a through line 52b ONLY for those unitrusts whose governing instruments provide for determining required distributions with reference to the unitrust's income. Otherwise, enter the amount from line 50b on line 53.	50b		
51	a Trust's accounting income for 1999	51a		
	b Enter the smaller of line 50b or line 51a here and on line 53 below unless the following "Caution" applies Caution: Line 52a and line 52b need to be completed by those unitrusts whose governing instruments provide for current distributions to make up for any distribution deficiencies in previous years due to the trust income limit. See IRC Regulations Section 1.664-3(a)(1)(b)(2). For these trusts, when completing line 53, enter the smaller of line 51a or line 52b.	51b		
52	a Total accrued distribution deficiencies from previous years	52a		
	b Add line 50b and 52a	52b		
53	Unitrust distributions for 1999. If there is more than one recipient, attach a schedule showing the percentage of the total unitrust dollar amount payable to each recipient	53		
54	Carryover of distribution deficiency. Subtract line 53 from line 52b	54		
55	Did the trustee change the method of determining the fair market value of the assets? If "Yes," attach an explanation		<input type="checkbox"/> Yes	<input type="checkbox"/> No
56	Were any additional contributions received by the trust during 1999? If "Yes," attach schedule that lists assets and date(s) received		<input type="checkbox"/> Yes	<input type="checkbox"/> No

Instructions for Form 541-B

Charitable Remainder and Pooled Income Trusts

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 1998**, and to the California Revenue and Taxation Code (R&TC).

General Information

In general, California tax law conforms to the Internal Revenue Code (IRC) as of January 1, 1998. However, there are continuing differences between California and federal tax law. California has not conformed to most of the changes made to the IRC by the federal Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206) and has not conformed to any of the changes made by the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277). Examples of recent California conformity provisions include:

- A trust will not qualify as a charitable remainder annuity trust or a charitable unitrust if the annual payout exceeds 50% of the trust's fair market value;
- The value of a remainder interest in a charitable remainder annuity trust must be at least 10% of the initial fair market value of all property placed in the trust;
- The value of a remainder interest in a charitable unitrust with respect to each transfer to the trust must be at least 10% of the net fair market value of the property transferred to the trust; and
- A charitable remainder trust cannot be an electing small business trust.

Private Mailbox (PMB) Number

If you lease a mailbox from a private business rather than from the United States Postal Service, enter the box number in the special field labeled "PMB no."

A Purpose

Use Form 541-B to report financial activities of a charitable lead trust, a charitable remainder annuity trust, a charitable remainder unitrust, or a pooled income fund.

B Who Must File

The fiduciary for all charitable remainder trusts (as defined in IRC Section 664), pooled income funds (as defined in IRC Section 642(c)(5)), or charitable lead trusts must file Form 541-B for each calendar year. In addition, the fiduciary must also file Form 541-A, Trust Accumulation of Charitable Amounts, to report the information required in R&TC Section 18635, unless all net income is required to be currently distributed.

C When to File

File Form 541-B on or before April 17, 2000. However, if you need additional time to file, California grants an automatic six-month extension. No request form is required to obtain this extension.

D Where to File

Mail Form 541-B to:
FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0000

E Trust Instrument

You do not have to file a copy of the trust instrument unless the Franchise Tax Board requests it.

F California Tax Exemption

A charitable remainder annuity trust or a charitable remainder unitrust created after December 31, 1970, is exempt from California income tax, except for years when it has unrelated business taxable income. Even though exempt from California income tax, such a trust must file Form 541-B for the calendar year.

G Final Return

For the last taxable year of a charitable remainder annuity trust or a charitable remainder unitrust, check the box labeled "Final Return" at the top of Form 541-B.

H Signature

The trustee or officer representing the trustee must sign Form 541-B. Any person preparing the fiduciary's return for compensation, and who is not a regular full-time employee of the trustee, must also sign Form 541-B.

I Attachments

Use the schedules on Form 541-B unless you need more space. If you use attachments, they must:

- Show the form number and the taxable year;
- Show the trust's name and federal employer identification number;
- Include the information required by the form;
- Follow the format and line sequence of the form; and
- Be on the same size paper as the form.

Specific Instructions

Part I Ordinary Income

Divide the trust's income (both current and cumulative) into three categories: (1) ordinary income, (2) capital gains and losses, and (3) nontaxable income.

Deductions are allocated as follows:

1. Allowable deductions directly attributable to one or more classes of income items (i.e., interest, dividends, or rents) or corpus are allocated to such income classes or to corpus.
2. Allowable deductions not allocated under 1 above are allocated on the basis of gross income after directly attributable deductions, to the extent of such income.
3. Allocate deductions (not allocated under 1 or 2 above) in any manner, even if the allocation results in a loss.

Allocate any expense that is not deductible in determining taxable income and not allocated to nontaxable income to corpus. Allocate all income and excise taxes to trust corpus.

The following deductions are not permitted in computing ordinary income, capital gains or nontaxable income: federal, state and local income and excise taxes, charitable contributions (IRC Sec. 642(c)), net operating losses (IRC Sections 172 and 642(d)), distributions to beneficiaries (IRC Sec. 661), and capital loss carryovers (IRC Section 1212).

Part II Accumulation Schedule

Report the income (both current and cumulative undistributed) of the trust for purposes of determining the character of distributions in three categories:

- Ordinary income;
- Capital gains and losses; and
- Nontaxable income.

A loss in any one of the three categories may not be used to reduce a gain in any other category. For example, a capital loss may not be used to reduce ordinary income. However, a loss in any category may be used to reduce undistributed gain for prior years within that same category, and any excess may be carried forward to reduce gain in future years within that same category.

Part III Current Distributions Schedule

Annuity and unitrust amounts required to be distributed have the following characteristics to the recipients:

- First, as ordinary income to the extent of the trust's ordinary income for the current year and undistributed ordinary income for prior years.

- Second, as capital gain to the extent of the trust's undistributed capital gains.
- Third, as nontaxable income to the extent of the trust's nontaxable income for the current year and undistributed nontaxable income for prior years.
- Fourth, as trust corpus. The accumulation distribution provisions do not apply.

Furnish each recipient (beneficiary) listed in Part III with a Schedule K-1 (541), Beneficiary's Share of Income Deductions, Credits, etc., that reflects his or her respective current distribution.

Part IV Unrelated Business Taxable Income

If the trust has any unrelated business taxable income within the meaning of IRC Section 512 and related regulations for the taxable year, the trust is taxable on all its income for the taxable year as a complex trust.

Complete and file a separate Form 541, California Fiduciary Income Tax Return, to report income and deductions and to compute the tax. Income and deductions, including the deduction for distributions to beneficiaries, are computed in accordance with the regular trust rules contained in the instructions for Form 541. However, the recipients will be taxed on amounts they receive in accordance with Specific Instructions, Part III. The grantor and substantial owner provisions do not apply.

Part V Balance Sheet

Complete the balance sheet using the accounting method the trust uses in keeping its books and records. All filers must complete column (a). All unitrusts must also complete column (b).

In completing column (b) for unitrusts, if an average value is used for more than one valuation date, enter "average" for the valuation date at the top of the column and report each valuation date in the attached explanation for line 55. Also, for purposes of this column, fair market value includes both accrued income and accrued liabilities.

Line 26 – Cash

Enter the total amount of cash, including cash held in checking accounts, deposits in transit, change funds, petty cash funds, or any other non-interest bearing account. Do not include advances to employees or officers or refundable deposits paid to suppliers or others.

Line 27 – Savings and temporary cash investments

Enter the total amount of cash in savings or other interest-bearing accounts and temporary cash investments, such as money market funds, commercial paper, certificates of deposit and U.S. Treasury bills, or other governmental obligations that mature in less than one year.

Line 28 – Accounts receivable

Enter the total accounts receivable and trade notes that arose from the sale of goods and/or the performance of services on line 28a. Enter the allowance for doubtful accounts on line 28b. Any receivables due from officers, directors, trustees, foundation managers, or other disqualified persons must be reported on line 29. Claims against vendors or refundable deposits with suppliers or others may be reported here if not significant in amount. If the amount is significant, report it on line 37, Other assets. Receivables due from other employees (including loans and advances) should be reported on line 37.

Line 29 – Receivables due from officers, directors, trustees, and other disqualified persons

Enter the total amount of all receivables and loans (including advances) due from officers, directors, trustees, and other disqualified persons. Attach a schedule providing information as follows:

- Report each loan separately, even if more than one loan was made to the same person or the same terms apply to all loans made. Salary advances and other advances for personal use and benefit and receivables subject to special

terms or arising from transactions not functionally related to the trust's charitable purposes must be reported as separate loans for each officer, director, etc.

- Receivables that are subject to the same terms and conditions (including credit limits and rate of interest) as receivables due from the general public and that arose in connection with an activity functionally related to the trust's charitable purposes may be reported as a single total for all the officers, directors, etc. Travel advances made in connection with official business of the trust may also be reported as a single total.

For each outstanding loan or another receivable that must be reported separately, the schedule should show the following information:

- Borrower's name and title;
- Original amount;
- Balance due;
- Date of note;
- Maturity date;
- Repayment terms;
- Interest rate;
- Security provided by the borrower;
- Purpose of the loan; and
- Description and the fair market value of the consideration furnished by the lender.

The above detail is not required for receivables or travel advances that may be reported as a single total. However, report and identify those totals separately in the attached schedule.

Line 30 through Line 36 – See the instructions for federal Form 5227, Split-Interest Trust Information Return, line 29 through line 35.

Line 37 – Other assets

Attach a schedule listing the value of all other assets not reported on previous lines.

Line 41 – Loans from officers, directors, trustees, and other disqualified persons

Enter the total unpaid balance of loans received from officers, directors, trustees, and other disqualified persons. For each loan outstanding at the end of the year, attach a schedule that provides the name and title of the lender and the information specified in the instructions for line 29.

Line 43 – Other liabilities

Both annuity trusts and unitrusts should include any advances from trustees on line 43. Unitrusts should also include any unitrust amounts applicable to prior years that are unpaid as of the valuation date since such amounts reduce the net fair market value of the trust's assets.

Line 46 – Undistributed income, undistributed capital gains, and undistributed nontaxable income

Enter the total amount of undistributed income, undistributed capital gains, and undistributed nontaxable income.

Enter the unitrust fixed percentage (which may not be less than 5%) in the space provided on line 50a.

Enter the total accrued distribution deficiencies from previous years on line 52a. To determine the deficiencies:

1. Aggregate the unitrust's net asset fair market value for each previous year.
2. Multiply 1 above by the unitrust's fixed percentage.
3. Subtract the aggregate trust income that was distributed for previous years from 2 above.

Line 53 – Enter the total 1999 unitrust distributions reported in Part III.